

LAW OFFICES OF  
KIMBALL, PARR, WADDOUPS, BROWN & GEE  
A PROFESSIONAL CORPORATION  
SUITE 1300  
185 SOUTH STATE STREET  
POST OFFICE BOX 11019  
SALT LAKE CITY, UTAH 84147  
TELEPHONE (801) 532-7840  
TELECOPIER (801) 532-7750

CLAYTON J. PARR

m/021/008 0005  
DOGM  
MINERALS PROGRAM  
FILE COPY

March 11, 1991

RECEIVED

MAR 11 1991

DIVISION OF  
OIL GAS & MINING

Mr. Wayne Hedberg  
Division of Oil, Gas & Mining  
3 Triad Center, Suite 350  
355 West North Temple  
Salt Lake City, UT 84180-1203


Re: Geneva Steel Iron Mountain Mine and  
Comstock Mine M/021/008 and M/021/005,  
Iron County, Utah

Dear Wayne:

The enclosed Self Bonding and Indemnity Agreement is patterned after the revised form that you sent me. A second enclosure is highlighted to show the changes from your standard form. Also enclosed is a revised form of the Interim Reclamation Contract wherein paragraph 2 has been modified by adding the additional language contained in your current form.

Please let me know if anything else is needed. I appreciate the help.

Very truly yours,

  
Clayton J. Parr

CJP/wc  
Enclosures

cc: Roy Benson (w/encl.)  
Lynn Hart (w/encl.)

FORM MR-RC  
Revised 2/1/89  
RECLAMATION CONTRACT

File Number \_\_\_\_\_

Effective Date \_\_\_\_\_

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340

INTERIM RECLAMATION CONTRACT

---ooOoo---

For the purpose of this INTERIM RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/021/005; M/021/008;  
M/021/002 (partial)  
(Mineral Mined) Iron Ore

"MINE LOCATION":  
(Name of Mine) Comstock; Iron Mountain  
(Description) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

"DISTURBED AREA":  
(Disturbed Acres) Exhibit A  
(Legal Description) Exhibit A

"OPERATOR":  
(Company or Name) Geneva Steel  
(Address) P.O. Box 2500  
Provo, Utah 84603  
(Phone No.) (801) 227-9000



"OPERATOR'S REGISTERED AGENT":

(Name)  
(Address)

(Phone No.)

Robert A. Johnson  
Vice President and General Counsel  
Geneva Steel  
10 South Geneva Road  
Vineyard, UT 84058  
227-9000

"OPERATOR'S OFFICER(S)":

Joseph A. Cannon - President, CEO  
Robert J. Grow - Executive Vice  
President, Chief Operating Officer

"SURETY":

(Form of Surety - Exhibit B)

Self Bonding Agreement

"SURETY COMPANY":

(Name, Policy or Acct. No.)

See Exhibit B

"SURETY AMOUNT":

(Escalated Dollars)

\$1,180,500

"ESCALATION YEAR"

"STATE":

"DIVISION":

"BOARD":

State of Utah  
Division of Oil, Gas and Mining  
Board of Oil, Gas and Mining

EXHIBITS:

- A "DISTURBED AREA":  
B "SURETY":

Revision Dates:

\_\_\_\_\_  
\_\_\_\_\_



This Interim Reclamation Contract (herein referred to as "Contract") is entered into between Operator and the Board.

WHEREAS, Operator has entered into a Reclamation Contract with the state of Utah by and through the Division of Oil, Gas and Mining (the "Division") relating to an approved reclamation plan under Notice of Intention (NOI) File No. M/021/008, and has provided surety therefore approved by the Board of Oil, Gas and Mining (the "Board"); and

WHEREAS, the Division and the Operator desire that NOI M/021/008 be modified to include nearby small mining operations of Operator; and

WHEREAS, the Operator has purchased the so-called Comstock Mine from CF&I Company, and that mine is subject to NOI M/021/005 held by CF&I; and

WHEREAS, the Operator has applied for transfer of NOI M/021/005 to Operator, and approval of such transfer requires that Operator enter into a reclamation contract with the Division and provide a substitute surety bond approved by the Board; and

WHEREAS, the Operator has purchased the so-called UII Comstock Plant Area from BHP Utah International, Inc., and that area, together with other properties held by BHP Utah International, Inc., is subject to NOI M/021/002 held by BHP; and

WHEREAS, the Operator has applied for a partial transfer of NOI M/021/002 to Operator, and approval of such transfer require that Operator enter into a reclamation contract with the Division and provide a substitute surety bond approved by the Board; and

WHEREAS, the Operator and the Division desire to consolidate NOI's M/021/008, M/021/005, and the portion of M/021/002 covering the UII Comstock Plant Area (referred to as "the Subject NOI's") into a single NOI; and

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WHEREAS, additional technical data must be provided by Operator and reviewed by the Division in order to finalize the Operator's revised and consolidated reclamation plan and to determine with precision the amount of the surety needed therefor; and

WHEREAS, Operator and the Board have agreed that an interim reclamation contract should be entered into by Operator and the Board and an interim surety bond be provided by Operator to be effective until Operator's revised and consolidated reclamation plan is approved and a final reclamation contract with an accompanying surety bond can be consummated.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Subject NOI's, and the reclamation plans under the Subject NOI's as applicable.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board, which surety is in the form of the surety attached hereto as Exhibit B and made a part hereof. The surety shall remain in full force and effect according to its terms unless modified by the Board in writing. If the surety contract expressly provides for cancellation, then, not less than 30 days, prior to the expiration date of the surety, the Operator shall provide a replacement surety in a form and amount acceptable to the Board. If the Operator fails to so provide an acceptable replacement surety, the Division may order the Operator to cease further mining activities and to begin reclamation of the site. In addition, if the Operator fails to so provide an



acceptable replacement surety, the Division may call or draw upon the full amount of existing surety prior to cancellation or expiration.

3. Operator agrees to pay public liability and property damage claims resulting from mining as determined by the Board or the Division, to the extent provided in the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Subject NOI's, and the reclamation plans under the Subject NOI's as applicable.
5. This Contract shall remain in force or until superseded by a definitive Reclamation Contract and an accompanying surety bond based upon an approved reclamation plan covering the Disturbed Area to be defined with particularity therein, which should occur within one year of the date hereof. The Operator's liability under this Contract may be partially terminated and the amount of the surety adjusted correspondingly if the Division certifies that the Operator has reclaimed discrete portions of the Disturbed Area in accordance with the Act and implementing rules, the Subject NOI's and the reclamation plans, as applicable.
6. Operator agrees to indemnify and hold harmless the State, Board and Division from any claim, demand, liability, cost charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents, and employees, or contractor to comply with this Contract.
7. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute



surety meets the requirements of the Act and the implementing rules.

8. This Contract shall be governed and construed in accordance with the laws of the State.
9. If Operator shall default in the performance of the obligations heretofore, Operator agrees to pay all costs and expenses, including attorneys fees and costs generated by the Division and/or the Board in the enforcement of this Contract.
10. Any breach of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Division, or Board, as appropriate, may revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety, or take such other action as is authorized by law.
11. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this contract. Any excess monies resulting from forfeiture of the Surety, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
12. This Contract represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
13. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

SO AGREED this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

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APPROVED AS TO FORM AND AMOUNT OF SURETY:

By \_\_\_\_\_  
Chairman, Board of Oil, Gas and Mining

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DIVISION OF OIL, GAS AND MINING:

By \_\_\_\_\_  
Director

\_\_\_\_\_  
Date

STATE OF \_\_\_\_\_ )  
\_\_\_\_\_) ss:  
COUNTY OF \_\_\_\_\_ )

On the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, personally  
appeared before me, who being by me duly sworn did say that he/she,  
the said \_\_\_\_\_ is the Director  
of the Division of Oil, Gas and Mining, Department of Natural  
Resources, State of Utah, and he/she duly acknowledged to me that  
he/she executed the foregoing document by authority of law on behalf  
of the State of Utah.

\_\_\_\_\_  
Notary Public  
Residing at: \_\_\_\_\_

\_\_\_\_\_  
My Commission Expires:



